

TOWN OF WELLESLEY



MASSACHUSETTS

BOARD OF SELECTMEN

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R. ARNOLD WAKELIN, JR.
EXECUTIVE DIRECTOR OF GENERAL GOVERNMENT

February 28, 2005

Dear Town Meeting Members,

On behalf of the Board of Selectmen, I am pleased to provide you with the enclosed material regarding the Town's finances.

The first item is the Town-Wide Financial Plan, which addresses the requirements of the Town's Bylaws as modified by Article 31 of the 2004 Annual Town Meeting. We understand that this is a new process that will require some refinement. This is our first step in a new way of presenting this information. This plan provides a three-part overview of the Town's current and projected fiscal picture as follows:

- 1) A Sources and Uses projection for FY2005-FY2009
- 2) A Debt Service and Cash Capital section with an overview of projects both inside and outside the levy limit
- 3) An analysis of the tax implications for both operating and capital projections

When reviewing this material, please keep in mind that the Town is under mandate by the Commonwealth to pass a balanced budget. Therefore, all projected budget shortfalls are shown as Proposition 2 ½ overrides in order to demonstrate compliance with this mandate while not substituting our judgment for that of other independent Town boards, committees or the voters at-large.

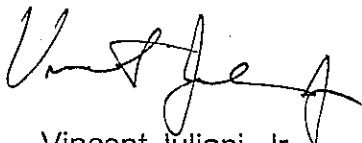
The second item is the "Town of Wellesley – Sources and Uses of Funds". These documents should look familiar, as they are traditionally included in budget information transmitted by the Board of Selectmen. The section includes both a summarized page and a more detailed chart.

The third item is a detailed section on the Town's Capital Budgeting Schedule. The text component, in conjunction with Exhibits A-D, provides a description of major capital

projects as well as a comprehensive listing of all capital requests on a department-level basis.

It is our hope that you will find this information useful as we approach the beginning of Annual Town Meeting. While the enclosed material represents the best information available at this time, the Selectmen will provide a full presentation at Town Meeting, which will encompass more up-to-date fiscal data. Thank you for your time and thank you for your continued service to the Town of Wellesley.

Sincerely,

A handwritten signature in black ink, appearing to read "Vincent Juliani, Jr.", with a stylized, cursive script.

Vincent Juliani, Jr.
Board of Selectmen

Town of Wellesley

Town-Wide Financial Plan
FY2006 Forward

Final To Be Presented at:

Annual Town Meeting

>>Preliminary Draft – February 28, 2005<<

Introduction

Purpose of Financial Plan

- ◆ Assess fiscal overview
- ◆ Forecasting to give context to decision-making
- ◆ Planning for capital needs
- ◆ Meet requirements of Town Bylaws

Introduction

Agenda Outline

- ◆ Town-Wide Financial Plan: Sources & Uses
- ◆ Capital Planning: Debt Service & Cash Capital
- ◆ Taxation and Tax Impact

Sources & Uses

Primary Revenue Assumptions

- ◆ Property Tax Revenue – 2.5% Annual Growth
 - FY2006: \$800K for New Growth
 - FY2007 & FY2008 New Growth = \$1.2 mil
- ◆ State Aid Assumptions:
 - Level funded in FY06 (\$4.9 million)
 - FY 07 Lottery increases due to repayment of diversion
 - SBA reimbursement for Elementary debt ends in FY08
- ◆ 2% Growth in Non-User Fee Local Revenues
- ◆ 40% State Reimbursement for future school projects (High, Middle, Elementary)

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Sources & Uses

Primary Spending Assumptions

- ◆ Assume Cash Capital Spending based on target of 2.5% annual growth
- ◆ FY2007-2009 Annual Growth Assumptions:
 - Personal Services - 5% Schools; 2.5% Town
 - Expense: 3% Schools; 2.5% Town
- ◆ Post-Retirement Medical Fund phase in starts in FY07 of \$600K per year for 5 years
- ◆ No Pension Funding Required
- ◆ Group Insurance Rate increase of 12%

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**TOWN OF WELLESLEY - SOURCES AND USES OF FUNDS
(BALANCE THROUGH COMBINATION OVERRIDE & CUTS IN FY2006)**

***** SOURCES OF FUNDS *****

	FY 2005	FY2006	FY2007	FY2008	FY2009
	<u>Tax Rate</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
Taxes & Current Revenue	77,583,223	80,348,415	87,566,382	91,875,121	96,143,116
Real Estate & Personal Property (Outside Levy)	2,315,579	2,862,212	4,621,542	7,755,057	7,214,420
Available Funds	2,430,735	1,600,000	2,115,000	2,230,000	2,345,000
MLP/Water/Sewer Contribution	1,000,000	1,100,000	1,100,000	1,100,000	1,100,000
TOTAL SOURCES OF FUNDS	83,329,537	85,910,627	95,402,924	102,960,178	106,802,536

***** USE OF FUNDS *****

Personal Services & Expenses (Schools)	40,954,980	43,530,429	46,138,111	48,315,904	50,598,714
Personal Services & Expenses (Non-School)	21,458,400	22,007,583	22,557,773	23,121,717	23,699,760
Capital & Debt within Levy Limits	5,785,012	6,078,869	6,532,228	6,655,889	6,801,244
Debt Service Issued Outside Levy	2,315,579	2,862,212	4,621,542	7,755,057	7,214,420
Shared Costs	11,200,953	13,325,121	14,792,857	16,581,940	18,486,526
Special Items	1,614,613	2,087,915	1,730,409	1,747,902	1,765,396
TOTAL USE OF FUNDS	83,329,537	89,892,129	96,372,920	104,178,410	108,566,059

ADDITIONAL REQUIRED TO BALANCE BUDGET

	-	(3,981,502)	(969,996)	(1,218,232)	(1,763,523)
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ADJUSTED TOTAL SOURCE OF FUNDS

	83,329,537	89,892,129	96,372,920	104,178,410	108,566,059
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OVERRIDE

	-	3,981,502	969,996	1,218,232	1,763,523
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BALANCE

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Sources & Uses Expectations & Practices

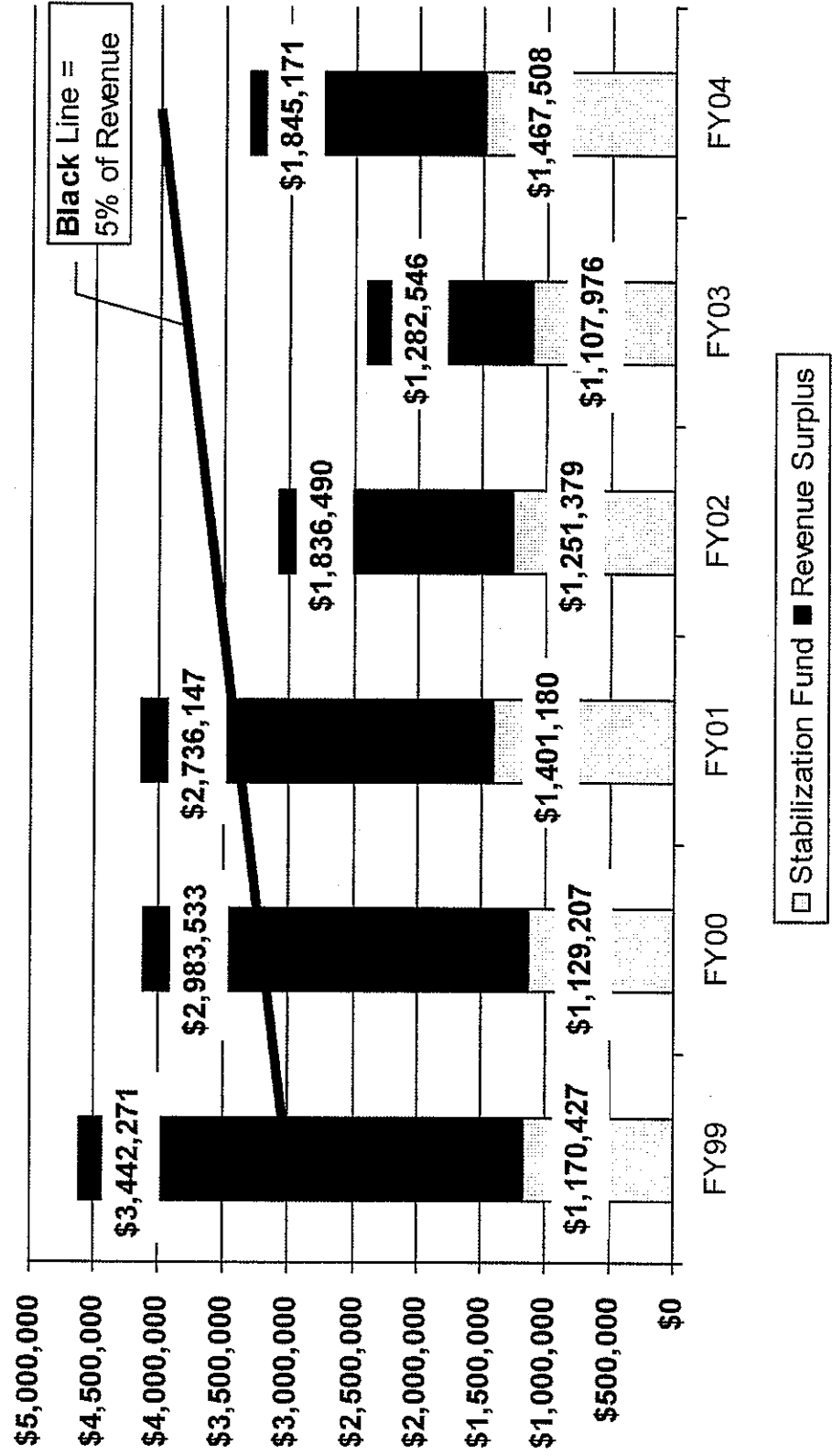
RATING AGENCY EXPECTATIONS

- ◆ Maintain Adequate Reserve Levels
- ◆ Low Reliance on One-time Sources for On-going Uses
- ◆ Sound Management Structure & Policies
- ◆ Substantial Debt Retirement within 10 yrs

FINANCIAL PRACTICES

- ◆ Multi-Year Forecasting
- ◆ Debt Affordability Reviews
- ◆ Capital and Debt Policy (7-8% of Revenue Inside Levy Limit)
- ◆ Five-Year Capital Plan

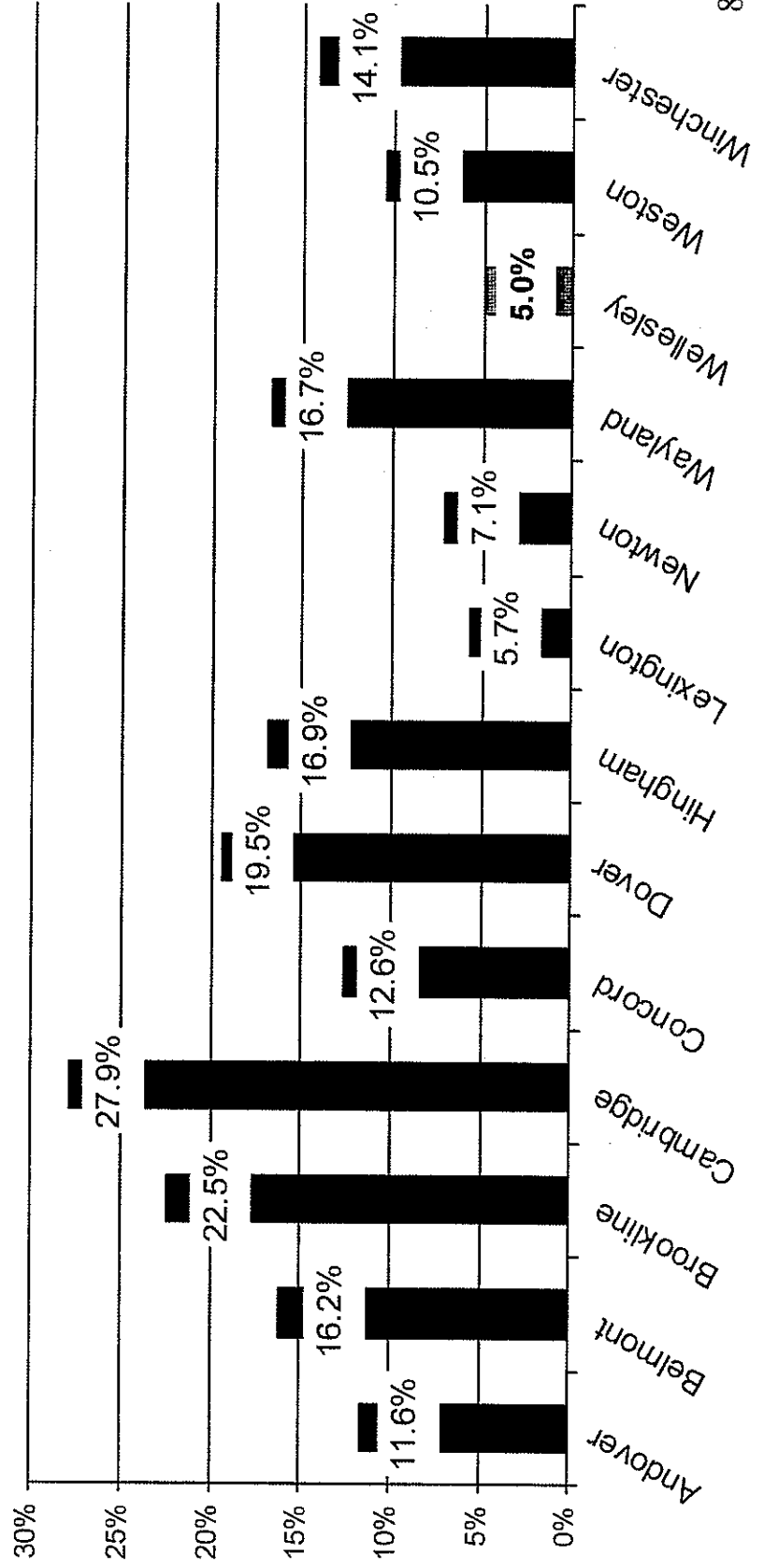
Sources & Uses Financial Reserves



Sources & Uses

Massachusetts "AAA" Cities/Towns

Fund Balance as % of Revenues - A Key Ratings Component
(National Median = 14.1%)



Debt Service & Cash Capital

Definitions, Policies & Assumptions

- ♦ Capital Financing = 7-8% of revenue for capital and debt service inside levy limit
- ♦ Large projects of top priority considered for debt exclusion
- ♦ FY2006 debt service interest assumptions = 4.5% long-term; 3.5% short-term

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Debt Service & Cash Capital

Projects Past, Present & Future

PAST/PRESENT **ACCOMPLISHMENTS**

Over Last 20 Years

- ♦ Town Hall Renovation 1986
- ♦ Worcester Street Fire Station #2 1988
- ♦ New Police Station 1996
- ♦ Central Street Fire Station #1 2000
- ♦ Library New Construction 2003
- ♦ Warren Building Renovation 2004
- ♦ Bates School 2003
- ♦ Sprague (Remodel & Expansion) 2001
- ♦ Middle School Renovation 2005+

FUTURE

Prospects

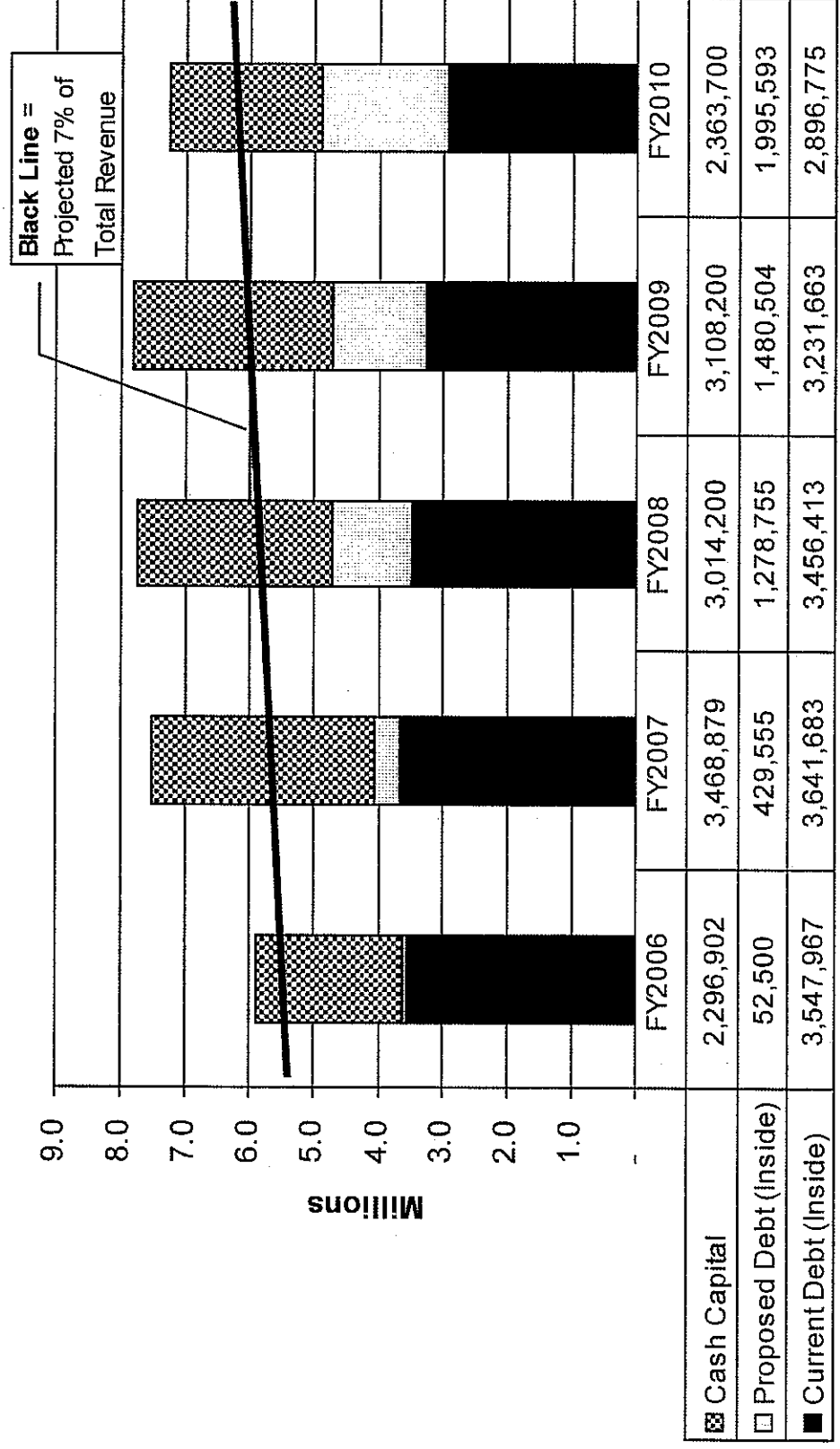
- ♦ DPW Facilities
- ♦ MLP Facility
- ♦ High School
- ♦ Schofield, Hardy, Hunnewell, Upham and Fiske (Repairs to extend life by 10 years)

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Debt Service & Cash Capital Projects Inside the Levy Limits

- ♦ NRC – FY08 – Morses Pond Project (\$3-\$9 mil)
- ♦ DPW – FY09 – Numerous Hunnewell Field Projects (\$4.6 mil)
- ♦ DPW – FY08 – Garage/Office Construction (\$4.2 mil)
- ♦ DPW – FY07 – Surface Drainage Master Plan (\$2 mil)
- ♦ DPW – FY10 – Cliff Road Rehab (\$1.25 mil)
- ♦ DPW – TBD – Grove Street Rehab (\$1.25 mil)
- ♦ BOS – FY08 – Washington Street (\$385K)
- ♦ BOS – FY09 – Fire Engine #1 (\$375K)
- ♦ NRC – FY07 – Morses Pond Design/Permit (\$500K)
- ♦ NRC – FY08 – Morses Pond Mgt Plan (\$100K)

Debt Service & Cash Capital Inside Levy Limit



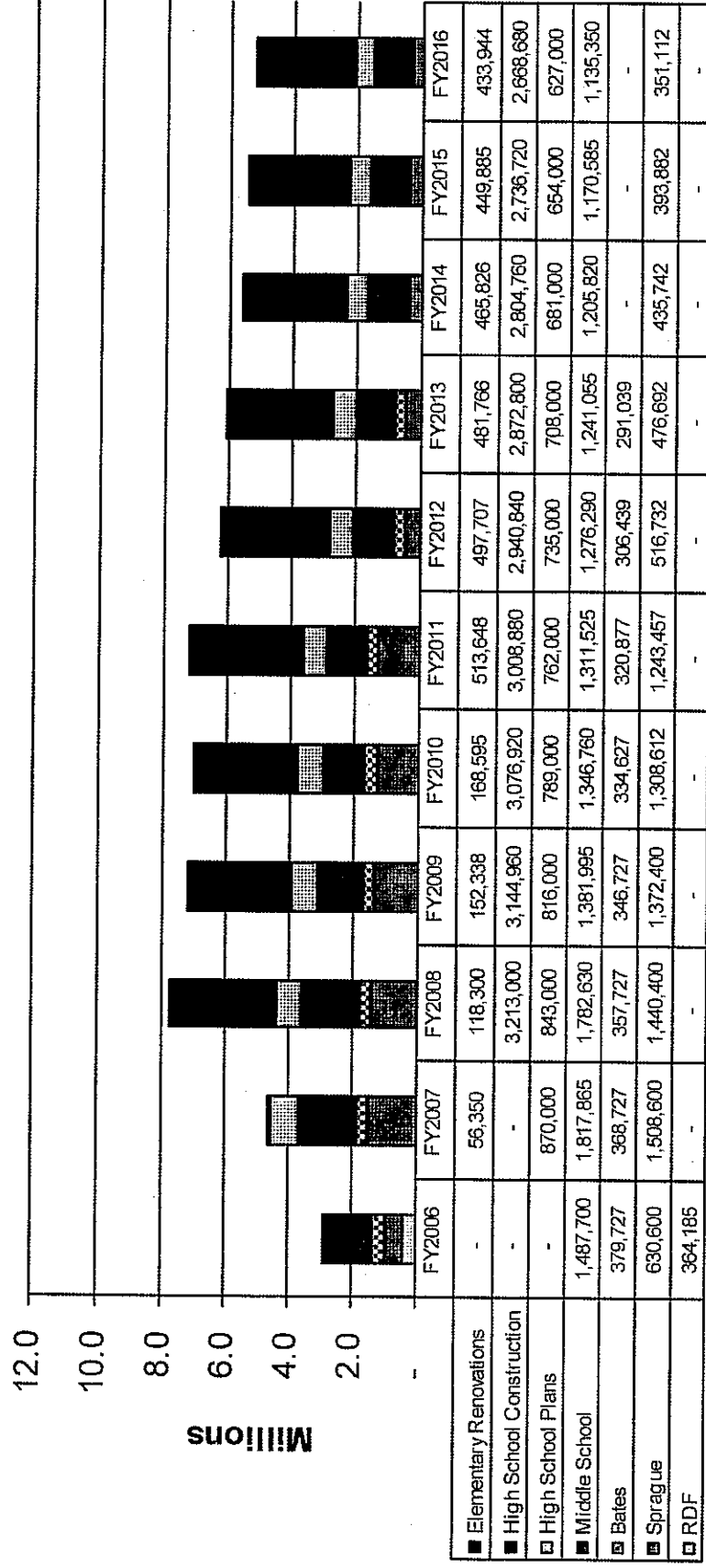
Debt Service & Cash Capital

Anticipated for Debt Exclusion

- ◆ WPS – FY07 – High School Design
(\$6 million)
- ◆ WPS – FY08 – High School Project
(Estimated \$63 million renovation; 25-year financing)
- ◆ WPS – FY07 – Elementary Schools
Short-Term Renovations (\$5.9 million)

Debt Service & Cash Capital Outside Levy Limit

*Assumes 40% SBA Funding for MS, HS, or ES Renovations



Proposition 2 1/2 Relies on overrides and debt exclusion process to deal with adversity and new programs.

When overrides are not needed

- ◆ Stability in wages
- ◆ Modest insurance increases.
- ◆ State Funding increases
- ◆ No disruption in reserves
- ◆ No unexpected expenses (Snow Deficits)

When overrides are needed

- ◆ Any significant disruption of revenues in State Aid, Local Receipts or Reserves
- ◆ Increases in expenses (special education, insurance and retirement) above consumer price index
- ◆ Introduction of significant new programs

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MEDIAN TAX BILL IMPACT

	FY2005	FY2006	FY2007	FY2008	FY2009
Annual Baseline (Beginning FY05)	6,031	6,031	6,552	6,808	7,094
2.5% Annual Impact	-	151	164	170	177
Existing Debt Exclusions	-	128	178	171	150
Middle School	-	138	172	169	131
TOTAL TAX BILL (Existing Obligations)	6,031	6,448	7,066	7,318	7,552
Annual % Increase		6.5%	8.7%	3.4%	3.1%

Projected Overrides (Annual)	-	370	92	116	168
High School Plans	-	-	82	80	78
High School Construction	-	-	-	305	299
Elementary School Renovations	-	-	3	7	60
TOTAL TAX BILL (Anticipated Spending)	-	370	178	508	604
Annual % Increase		6.6%	-2.5%	4.6%	1.1%

TOTAL TAX BILL (All Considerations)	6,031	6,818	7,243	7,826	8,156
Annual % Increase		13.0%	6.2%	8.0%	4.2%

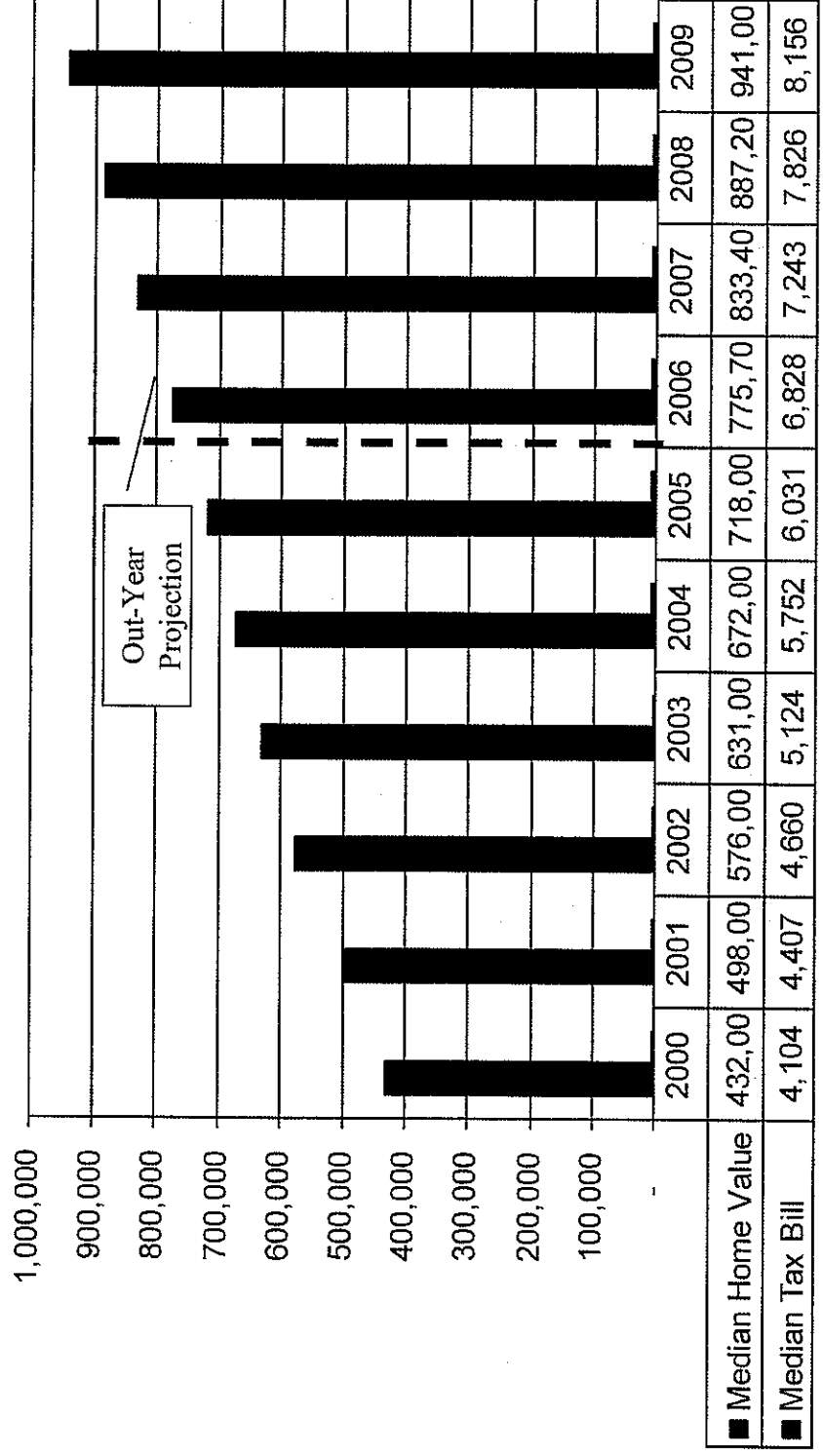
NOTE: Funding for Post-Retirement Medical Insurance is factored into calculations above as follows: FY2007 = \$57, FY2008 = \$114, FY2009 = \$170
 * The Baseline data is comprised of the prior year's baseline + prior year 2.5% impact + impact of overrides from the prior year (Example: FY2007 Baseline 6,562 = 6,031 + 151 + 380)

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Taxation and Tax Impact

How are we doing?

Return on Investment



Median Value Increase (\$)	-	\$66,000	\$78,000	\$55,000	\$41,000	\$46,000	\$57,700	\$57,700	\$53,800	\$53,800
Tax Bill Increase (\$)	-	\$303	\$253	\$464	\$628	\$279	\$787	\$425	\$583	\$330

TOWN OF WELLESLEY - SOURCES AND USES OF FUNDS

Updated February 28, 2005

	FY 2003 Tax Rate	FY 2004 Tax Rate	FY 2005* Tax Rate	FY2006 Projected	% Change
*** SOURCES OF FUNDS ***					
Tax & Other Current Revenues					
Within Levy Limits					
Real Estate & Pers. Prop. Tax	56,240,261	61,339,787	64,010,720	66,410,988	3.75%
From the Commonwealth					
Local Aid	5,170,422	4,210,487	4,297,575	4,210,487	-2.03%
Other Programs	1,518,732	1,365,100	744,322	744,322	0.00%
Local Revenue	9,689,995	9,281,535	9,530,806	10,082,616	5.79%
Sub-Total (Tax & Cur. Rev.)	72,619,410	76,196,909	78,583,223	81,448,415	3.66%
Outside Levy Limits					
Real Estate & Pers. Prop. Tax	2,136,637	2,378,815	2,315,579	2,862,212	23.61%
Available Funds					
Parking Meter Receipts	641,290	700,188	634,513	700,000	10.32%
CPA Surcharge Receipts	-	50,000	596,000	600,000	0.67%
Revenue Surplus	1,690,020	650,000	710,000	-	-100.00%
Sale of R.E./Overlay/Ins.TF/Highway	235,000	-	200,000	-	-100.00%
Stabilization Fund	637,000	400,000	200,000	200,000	0.00%
Unencumbered Funds	281,613	240,927	90,222	100,000	10.84%
Sub-Total (Available Funds)	3,484,923	2,050,115	2,430,735	1,600,000	-34.18%
TOTAL SOURCES OF FUNDS	78,240,970	80,625,839	83,328,537	85,910,627	3.10%
	FY 2003 Tax Rate	FY 2004 Tax Rate	FY 2005 Tax Rate	FY2006 Projected	% Change
*** USE OF FUNDS ***					
Personal Services (Non-School)	15,116,434	15,451,249	15,719,502	16,109,823	2.48%
Expenses (Non-School)	5,623,024	5,665,776	5,738,898	5,897,760	2.77%
Subtotal (Non-School)	20,639,458	21,137,025	21,458,400	22,007,583	2.56%
Personal Services (School)	32,047,615	33,442,545	35,166,320	37,792,846	7.47%
Expenses (School)	6,059,459	5,912,003	5,789,660	6,267,595	8.25%
2-16 Reductions				(530,012)	
Subtotal (School)	36,107,074	39,354,548	40,954,980	43,530,429	6.29%
Sub-Total (Pers. Svcs. & Exp)	56,746,532	60,491,573	62,413,380	65,538,012	5.01%
Capital & Debt:					
Within Levy Limits					
Capital/Extraord./Spec.Items	3,111,144	2,564,312	2,511,649	2,296,902	-8.55%
Comprehensive Bldg. Maintenance	-	164,200	160,000	156,500	-2.19%
Debt Service - Issued	3,282,202	2,999,499	3,113,363	3,625,467	16.45%
Debt Service - New Auth/Unissued	-	-	-	-	
Special Capital/Articles					
Sub-Total (Within Levy Limits)	6,393,346	5,728,011	5,785,012	6,078,869	5.08%
Outside Levy Limits					
Debt Service Issued	2,136,637	2,378,815	2,315,579	2,862,212	23.61%
Shared Costs:					
Law/Merit Pay/Reserve Fund/EMS	589,770	522,770	622,270	636,530	2.29%
Ins./Grp Ins./Pensions, etc.	7,867,190	8,743,975	9,242,775	11,327,208	22.55%
Property Tax Abatements	383,210	353,602	300,410	300,000	-0.14%
State & County Assessments	1,011,262	1,009,580	1,035,498	1,061,385	2.50%
Sub-Total (Shared Costs)	9,851,432	10,629,927	11,200,953	13,325,121	18.96%
SUB-TOTAL (OPERATIONS)	77,127,947	79,228,326	81,714,924	87,804,214	7.45%
Special Items:					
Traffic & Parking Management	568,890	637,188	573,613	607,915	5.98%
Community Preservation Comm.	-	50,000	596,000	600,000	0.67%
Prior or Current Period Exp.	336,133	497,325	190,000	625,000	228.95%
Tax Title Purposes	5,000	5,000	5,000	5,000	0.00%
Stabilization Fund	203,000	208,000	250,000	250,000	0.00%
Sub-Total (Special Items)	1,113,023	1,397,513	1,614,613	2,087,915	29.31%
TOTAL USE OF FUNDS	78,240,970	80,625,839	83,329,537	89,892,129	7.88%
TOTAL SOURCE OF FUNDS	78,240,970	80,625,839	83,329,537	85,910,627	3.10%
SURPLUS<DEFICIT>	-	-	-	(3,981,502)	

* NOTE: The FY2005 column reflects the budget as approved by 2004 Annual Town Meeting. These figures do not reflect allocation of the Merit Pay Plan to Town departments. However, FY2005 figures in the text portion of the Advisory Book reflect the Merit Pay allocation

Funding Item	FY05 USE OF FUNDS				FY06 USE OF FUNDS (Requested)				CHANGE - FY04 to FY05			
	FY05		FY05		FY06		FY06		Variance		Variance	
	Pers	Srvs	Expenses	Total Ops	Pers	Srvs	Expenses	Total Ops	Pers	Srvs	Expenses	Total - \$
<u>Selectmen Appointed Committees</u>												
Historical Commission			250	250			250	250			0	0
Historical District Comm.			250	250			250	250			0	0
Zoning Board of Appeals	42,276		8,790	51,066	39,794		7,790	47,584	(2,482)		(1,000)	(3,482)
Subtotal - Sel. Appointed Comms.	42,276		9,290	51,566	39,794		8,290	48,084	(2,482)		(1,000)	(3,482)
Total - Selectmen Depts./Comms.	9,330,978		1,663,258	10,994,236	9,506,631		1,690,713	11,197,344	175,653		27,455	203,108
<u>Moderator Appointed Committees</u>												
Advisory Committee	6,448		19,000	25,448	2,966		19,000	21,966	(3,482)		0	(3,482)
Audit Committee			62,000	62,000			62,000	62,000			0	0
Permanent Building Committee	4,087		7,200	11,287	4,189		7,200	11,389	102		0	102
Human Resources Board	207,646		20,475	228,121	209,849		20,475	230,324	2,203		0	2,203
Subtotal - Mod. Appointed Comms.	218,181		108,675	326,856	217,004		108,675	325,679	(1,177)		0	(1,177)
<u>Specialized Elected Boards</u>												
Assessors	148,473		124,725	273,198	151,154		129,700	280,854	2,681		4,975	7,656
Board of Health	268,242		65,701	333,943	266,793		71,779	338,572	(1,449)		6,078	4,629
Mental Health Services			157,808	157,808			157,808	157,808			0	0
Natural Resources Commission	142,283		15,065	157,348	144,901		15,065	159,966	2,618		0	2,618
Planning Board	132,121		20,325	152,446	134,870		20,325	155,195	2,749		0	2,749
Recreation Comm. - Town Funds	244,057		135,700	379,757	249,094		143,940	393,034	5,037		8,240	13,277
Rec. Comm. - Program Funds	303,000		286,440	589,440	404,500		443,400	847,900	101,500		156,960	258,460
Recreation Total	547,057		422,140	969,197	653,594		587,340	1,240,934	106,537		165,200	271,737
Teen Center			7,500	7,500			7,500	7,500			0	0
Town Clerk/Election & Registration	258,187		47,950	306,137	241,107		46,850	287,957	(17,080)		(1,100)	(18,180)
Subtotal - Spec. Elec. Boards	1,496,363		861,214	2,357,577	1,592,419		1,036,367	2,628,786	96,056		175,153	271,209
GENERAL GOVT. TOTAL	11,045,522		2,633,147	13,678,669	11,316,054		2,835,755	14,151,809	270,532		202,608	473,140
<u>LIBRARY</u>												
Town Funds	1,456,069		557,311	2,013,380	1,472,070		561,250	2,033,320	16,001		3,939	19,940
Outside Funding	142,189		68,671	210,860	145,732		65,128	210,860	3,543		(3,543)	0
LIBRARY TOTAL	1,598,258		625,982	2,224,240	1,617,802		626,378	2,244,180	19,544		396	19,940
<u>PUBLIC WORKS</u>												
Engineering	419,836		76,115	495,951	436,270		76,115	512,385	16,434		0	16,434
Highway	813,840		333,299	1,147,139	821,012		333,299	1,154,311	7,172		0	7,172
Fleet Maintenance	94,957		49,226	144,183	94,957		49,226	144,183	0		0	0

FY05 USE OF FUNDS				FY06 USE OF FUNDS (Requested)				CHANGE - FY04 to FY05			
Funding Item	FY05		FY05 Total Ops	FY06		FY06 Total Ops	Variance		Variance		Total - %
	Pers Srvs	Expenses		Pers Srvs	Expenses		Pers Srvs	Expenses	Total - \$	Total - %	
Park & Tree	784,200	235,259	1,019,459	824,063	210,259	1,034,322	39,863	(25,000)	14,863	1.46%	
Recycling & Disposal	658,542	1,200,462	1,859,004	690,840	1,145,188	1,836,028	32,298	(55,274)	(22,976)	-1.24%	
Management	253,171	40,096	293,267	256,921	40,096	297,017	3,750	0	3,750	1.28%	
Street Lighting		188,960	188,960		180,142	180,142	0	(8,818)	(8,818)	-4.67%	
Baler Replacement Fund		0	0		44,500	44,500					
Winter Maintenance		326,402	326,402		326,402	326,402	0	0	0	0.00%	
PUBLIC WORKS TOTAL	3,024,546	2,449,819	5,474,365	3,124,063	2,405,227	5,529,290	99,517	(44,592)	54,925	1.00%	
<u>MLP - TAX IMPACT</u>											
Fire & Traffic Signal Systems	51,176	29,950	81,126	51,904	30,400	82,304	728	450	1,178	1.45%	
MLP - TAX IMPACT TOTAL	51,176	29,950	81,126	51,904	30,400	82,304	728	450	1,178	1.45%	
NON-SCHOOL TOTAL	15,719,502	5,738,898	21,458,400	16,109,823	5,897,760	22,007,583	390,321	158,862	549,183	2.56%	
<u>SCHOOL *</u>											
Instruction	30,457,429	1,366,589	31,824,018	32,493,459	1,428,773	33,922,232	2,036,030	62,184	2,098,214	6.59%	
Administration	744,709	147,625	892,334	772,111	148,490	920,601	27,402	865	28,267	3.17%	
Operations	1,908,560	1,437,832	3,346,392	2,005,894	1,729,790	3,735,684	97,334	291,958	389,292	11.63%	
Community Service	0	5,000	5,000	0	5,000	5,000	0	0	0	0.00%	
Inclusion Program	1,788,259	0	1,788,259	2,214,338	0	2,214,338	426,079	0	426,079	23.83%	
Tuition & Transportation	261,363	2,837,614	3,098,977	302,044	2,960,542	3,262,586	40,681	122,928	163,609	5.28%	
SCHOOL TOTAL	35,160,320	5,794,660	40,954,980	37,787,846	6,272,595	44,060,441	2,627,526	477,935	3,105,461	7.58%	
PER. SRVS. & EXP. TOTAL	50,879,822	11,533,558	62,413,380	53,897,669	12,170,355	66,068,024	3,017,847	636,797	3,654,644	5.86%	
<u>CAPITAL & DEBT</u>											
<u>Dept. Capital</u>											
Selectmen Capital		103,271	103,271		68,453	68,453	0	(34,818)	(34,818)	-33.72%	
NRC Capital		184,500	184,500		83,150	83,150	0	(101,350)	(101,350)	-54.93%	
Planning Capital		50,000	50,000		50,000	50,000	0	0	0	0.00%	
Recreation Capital		24,280	24,280		10,600	10,600	0	(13,680)	(13,680)	-56.34%	
Library Capital		0	0		9,000	9,000	0	9,000	9,000	#DIV/0!	
Public Works Capital		1,168,500	1,168,500		1,124,000	1,124,000	0	(44,500)	(44,500)	-3.81%	
MLP (Fire & Traffic Signal Systems)		15,000	15,000		0	0	0	(15,000)	(15,000)	-100.00%	
Town Clerk		24,000	24,000		16,000	16,000	0	(8,000)	(8,000)	-33.33%	
School Capital		856,098	856,098		935,699	935,699	0	79,601	79,601	9.30%	
Subtotal - Capital	2,425,649	2,425,649	2,425,649	2,296,902	2,296,902	2,296,902	0	(128,747)	(128,747)	-5.31%	
Special Article/Capital Items											

Funding Item	FY05 USE OF FUNDS				FY06 USE OF FUNDS (Requested)				CHANGE - FY04 to FY05			
	FY05		FY05		FY06		FY06		Variance		Variance	
	Pers Srvs	Expenses	Total Ops		Pers Srvs	Expenses	Total Ops		Pers Srvs	Expenses	Total - \$	Variance Total - %
Art.#16 Cochituate Aquaduct		0	0			0	0					
Art.#19 Putney Rd. Acceptance		48,000	48,000									
Art.#20 Oakdale Ave. Acceptance		23,000	23,000						0	(23,000)	(23,000)	-100.00%
Art.#23 WHDC Walnut Street		15,000	15,000									
Subtotal - Spec. Capital Items		86,000	86,000			0	0		0	(86,000)	(86,000)	-100.00%
Traffic & Parking Capital												
Traffic & Parking Maint. Capital		126,000	126,000			131,400	131,400		0	5,400	5,400	4.29%
Subtotal - T&P Capital		126,000	126,000			131,400	131,400		0	5,400	5,400	4.29%
Debt Service												
Current Debt Service - Issued		5,428,942	5,428,942			6,487,679	6,487,679		0	1,058,737	1,058,737	19.50%
New Debt Service - To be Issued		0	0			0	0		0	0	0	#DIV/0!
Subtotal - Debt Service		5,428,942	5,428,942			6,487,679	6,487,679		0	1,058,737	1,058,737	19.50%
CAPITAL & DEBT TOTAL		8,066,591	8,066,591			8,915,981	8,915,981		0	849,390	849,390	10.53%
Shared Costs												
Merit Pay Plan (FY03 Approp-\$155K)	88,000		88,000		89,760		89,760		0	0	0	0.00%
Law		259,770	259,770			259,770	259,770		0	0	0	0.00%
Reserve Fund		175,000	175,000			175,000	175,000		0	0	0	0.00%
Contributory Retirement		0	0			0	0		0	0	0	0.00%
Non-Contributory Pensions		60,000	60,000			72,853	72,853		12,853	12,853	12,853	21.42%
Compensated Absences		90,000	90,000			90,000	90,000		0	0	0	0.00%
Group Insurance		8,567,000	8,567,000			10,449,000	10,449,000		1,882,000	1,882,000	1,882,000	21.97%
Unemployment Compensation		100,000	100,000			100,000	100,000		0	0	0	0.00%
Liability Insurance Trust Fund		0	0			0	0		0	0	0	0.00%
Risk Management		350,700	350,700			361,221	361,221		10,521	10,521	10,521	3.00%
Workers' Compensation		75,075	75,075			254,132	254,132		179,057	179,057	179,057	238.50%
Comprehensive Bldg Maintenance		160,000	160,000			156,500	156,500		(3,500)	(3,500)	(3,500)	-2.19%
Emergency Medical Services		99,500	99,500			112,000	112,000		12,500	12,500	12,500	12.56%
SHARED COST TOTAL	88,000	9,937,045	10,025,045		89,760	12,030,476	12,120,236		0	2,093,431	2,093,431	20.88%
SPECIAL ITEMS												
Traffic & Parking Ops.	169,538	278,075	447,613		177,839	298,675	476,514		8,301	20,600	28,901	6.46%
Community Preservation Comm.		596,000	596,000			600,000	600,000		0	4,000	4,000	0.67%
Prior or Current Period Expenses						625,000	625,000					

Funding Item	FY05 USE OF FUNDS				FY06 USE OF FUNDS (Requested)				CHANGE - FY04 to FY05			
	FY05		FY05		FY06		FY06		Variance		Variance	
	Pers	Srvs	Expenses	Total Ops	Pers	Srvs	Expenses	Total Ops	Pers	Srvs	Expenses	Total - \$
Selectmen (Police)			90,000	90,000			0	0			(90,000)	(90,000)
Unidentified			0	0			0	0			0	0
DPW			100,000	100,000			0	0			(100,000)	(100,000)
Traffic & Parking			0	0			0	0			0	0
Stabilization Fund			250,000	250,000			250,000	250,000			0	0
Property Tax Abatelements			300,410	300,410			300,000	300,000			(410)	(410)
Tax Title Purposes			5,000	5,000			5,000	5,000			0	0
State & County Assessments			1,035,498	1,035,498			1,061,385	1,061,385			25,887	25,887
SPECIAL ITEMS TOTAL	169,538	2,654,983	2,824,521	2,824,521	177,839	3,140,060	3,317,899	3,317,899	8,301	485,077	493,378	493,378
TOTAL USES OF FUNDS	83,329,537				90,422,140				7,092,603			
2-16 SCHOOL REDUCTIONS	0				(530,012)				(530,012)			
TOTAL SOURCES OF FUNDS	83,329,537				85,910,627				2,581,090			
SURPLUS (DEFICIT)	0				(3,981,501)				(3,981,501)			
SOURCES OF FUNDS	FY 2005				FY 2006				\$ Change			
Real Estate & Per. Prop. Tax	64,010,720				66,410,988				2,400,268			
Within the Levy Limit	2,315,579				2,862,212				546,633			
Outside the Levy Limit												
Subtotal	66,326,299				69,273,200				2,946,901			
From the Commonwealth	5,041,897				4,954,809				(87,088)			
Local Revenue	9,530,606				10,082,618				552,012			
Parking Meter Receipts	634,513				700,000				65,487			
CPA Surcharge Receipts	596,000				600,000				0			
Revenue Surplus	710,000				0				(710,000)			
Overlay/Liability Ins.TF/Highway	200,000				0				(200,000)			
Sale of Real Estate	0				0				0			
Stabilization Fund	200,000				200,000				0			
Unencumbered Funds	90,222				100,000				9,778			
	83,329,537				85,910,627				2,581,090			
									3.10%			

* NOTE: The FY2005 column reflects the budget as approved by 2004 Annual Town Meeting. These figures do not reflect allocation of the Merit Pay Plan to Town departments. FY2005 figures in the text portion of the Advisory Book do reflect the Merit Pay allocation

**Report of the Board of Selectmen on
Capital Budgeting Schedule**



FY 2006 – FY 2010

In accordance with the vote of the Annual Town Meeting of 2004, the Board of Selectmen are required to compile and present to the Annual Town Meeting a five-year capital program schedule. To do so, the Selectmen requested each Town Board and Department to provide information on their proposed capital requests and anticipated capital needs.

The purpose of the schedules is not to fix priorities or appropriations for various projects in specified amounts, but to facilitate long range planning so that the Town may, in an orderly fashion, prepare for major capital expenditures over a five-year period. The five-year capital budget schedule does not commit the Town to future action. One Town Meeting may not bind any future Town Meeting to a course of action. In fact, the budget is revised at least annually in order to bring it up to date as more current information becomes available.

Each Town Board and Department provided information with respect to proposed Capital Projects, *those items, which involve expenditures estimated to exceed \$100,000 and/or be bonded, or for plans for such a project if the cost of the plans is estimated to exceed \$10,000.* Each Town Board and Department also provided information with respect to all other anticipated capital needs.

The Exhibits within this report are designed to present the five-year capital projects and needs budget in an overall financial context. Exhibit A provides the summary and detail of the Five-Year Capital Program. The amount and composition of the Town's existing debt is shown in Exhibit B. Exhibit C estimates the impact on the debt of borrowing for items proposed in the Capital Projects Schedule.

The following sections provide a brief description of some notable projects included in the capital plan. A list of all department General Fund requests appears in Exhibit A.

Board of Selectmen

Major Vehicle Replacement Fund - \$105,000 Annually (FY06-FY10)

Funding for this item appears in the Capital Plan every year. The purpose is to provide a savings plan that can be drawn upon to periodically purchase replacement vehicles for the Town's Fire Department. The funding is included in the amount appropriated to the Stabilization Fund shown in the Sources and Uses document.

Washington Street Cold Planning and Resurface - \$385,000 (FY08)

The Washington Street Reconstruction Project will be coming to completion when the final segment of work between Service Drive at Wellesley College and Wiswall Circle is completed in 2004. The initial full depth (base and wearing course) reconstruction work on Washington Street goes back to the mid-1990's. The reconstruction job was designed to last for up to 15 to 20 years provided that routine maintenance was performed and a resurfacing of the roadway was completed approximately ten years out. The Town's traffic engineer has looked at the roadway and has recommended that Washington Street from Route 9 (Wellesley Hills) to Grove Street be cold planned and resurfaced. Cold Planning is the process in which the top section of the roadway (sometimes referred to as the 'wearing course') is removed and replaced with new asphalt. A review of the roadway will need to be completed to check the base. Performing this work should extend the life of this segment of road for up to 10 years.

Engine #1 - \$375,000 (FY09)

This capital request is an equipment purchase for a new engine for the Fire Department. It is a replacement for the 1991 Pierce pumper.

Natural Resource Commission (NRC)**Tree Planting Program - \$125,000 (FY06-FY10)**

The NRC continues to work with the DPW to develop public shade tree planting plans that span a five-year period in order to achieve more predictability in tree replacement and to compensate for the loss of trees due to a variety of diseases and weather conditions. The Advisory Committee approved \$25,000 for each of the past five years for this program, and the Commission requests the same funding for the program this year. This capital project was identified in the NRC's current Capital Plan with a cost estimate of \$25,000 in FY06.

Fuller Brook Park Restoration Master Plan - \$500,000 (FY07-FY10)

The Fuller Brook Park, also known as the "Brook Path," is the most popular of all Wellesley's public green spaces. This historic park starts at Hunnewell Field near the High School and follows the Fuller Brook waterway southwest for two miles, ending at Wellesley College's Nehoiden golf course. The landscaping within this 23 acre park was originally planned by the Olmstead firm on land that was donated to the town by many conservation-minded residents. The Fuller Brook drains more than half of Wellesley and flows into the Charles River. The purpose for preserving the land adjacent to the brook was twofold. First, it prevented the building of homes in the brook's wetlands and floodplains. Second, it gave pedestrians a safe path to follow that was away from the heavy traffic of Washington Street.

The original Fuller Brook Park project, completed during the Great Depression, included the construction of footbridges across the brook and the path was regraded and landscaped. Fine stone bridges for vehicles were also built at three locations. During the 1950's part of the brook was straightened and channeled into a culvert in order to control flooding. This led to a popular uprising to preserve the rest of the brook in its natural state.

Over time, the Fuller Brook Park has become the victim of years of erosion, and venerable trees are dying and invasive plant species are creeping in and strangling the saplings and spreading to the water's edge. The park's infrastructure including its bridges, sidewalks and the brook's

channel and culverts are in disrepair and present public safety issues. The NRC has hired a consultant to develop a Fuller Brook Park Restoration Master Plan, which will be the first step towards restoring this natural treasure for future generations to use and enjoy. Once the Restoration Master Plan is completed, funding will be needed to implement the Master Plan's recommendations over a period of 5 years or more.

Morses Pond Final Design/Permitting - \$500,000 (FY07)

In FY05 the NRC received funding for a Morses Pond Management Study, which will be followed by a request in FY07 for final design/permitting costs.

Morses Pond Final Design Implementation – From \$3 million to \$9 million (FY08-FY10)

The NRC Master Plan for Pond Restoration was developed with cooperation from the DPW and endorsed by Town Meeting in 1998. In FY05, NRC received funding for a Morses Pond Feasibility Study. In FY08-FY10, funding will be requested for final design implementation of recommendations related to the Study.

Board of Public Works

Street Improvement Program - \$2,095,000 (FY06-FY010)

The purpose of this program is to maintain the structural and surface integrity of the Town's 112 miles of accepted streets in an 8 to 12 year cycle. The maintenance strategy employed defers the need for expensive street reconstruction almost indefinitely on all but the most heavily traveled streets. Three types of surface treatments are involved in this strategy: resurfacing with bituminous concrete, cold planing and resurfacing with bituminous concrete, and sealing cracks in roadway surfaces. Sealing street cracks with rubberized asphalt filler can defer the need for street resurfacing by 3 to 5 years.

This request for FY06 will resurface 4 to 6 miles of street (depending on the mix of bituminous/cold planing) from a candidate list of streets. The finalized list of street resurfacings to be done in FY06 will be available after post-winter inspections have been completed.

Linden Street Reconstruction - \$2,000,000 (FY09)

The 1999 Annual Town Meeting approved funding for the design of improvements to the Linden Street corridor. The project runs from Rockland Street to Weston Road. Improvements consist of cold planing of the roadway, reconstruction of sidewalks and construction of sidewalks to provide a continuous sidewalk on at least one side of the street for the entire corridor length, installation of ornamental streetlights and traffic signals, and appurtenances as required. This project utilizes in part the recommendations of the Linden Street Planning Study and forums conducted by the Wellesley Planning Board during FY03. An estimated cost of \$2,000,000 is shown in FY09. The construction plans will be updated to coordinate with the development

plans for the former Diehl's property when these plans are known. The actual timing of this project may be adjusted depending on the development plans.

Cliff Road Reconstruction - \$1,250,000 (FY10)

Cliff Road, a major north/south route through Wellesley, has undergone numerous resurfacings resulting in the elimination of the curb reveal in many locations on both sides of the street. In effect, the roadway and the sidewalk are at the same elevation at those locations, creating safety issues and concerns for pedestrians. The condition of the sidewalk at certain locations is also poor. From a technical engineering perspective, the sidewalk and curbing issues are best addressed at the same time the roadway reconstruction is performed. It is anticipated that cold planning of the roadway will be performed and that the addition of sidewalks will be considered at those locations where none presently exist. Safety and drainage, and maintaining the residential character of the neighborhood as best as possible and practicable, will be important considerations during design.

Sidewalk Restoration - \$477,500 (FY06- FY10)

The DPW maintains 116 miles of sidewalk within the Town. Due primarily to the impact of tree roots lifting sections of pavement, a significant number of sidewalks need partial or total reconstruction. This is an ongoing program to restore all of the Town's sidewalks to a safe condition and maintain them at that level. The Town's sidewalk condition survey report was updated during FY04 and the DPW is addressing problem areas each year as funding allows.

Stormwater Management Program Implementation - \$1,330,000 (FY07-FY10)

In FY03, the Town undertook a two-year project to update its Stormwater Master Plan, which was originally prepared for the Town in 1981. This multi-year program will address several recommended improvements to the stormwater system to eliminate conditions such as flooding, undersized culverts and inadequate street drains. In addition, the program will implement new requirements of federal and state National Pollutant Discharge Elimination System (NPDES) regulations, the goal of which is to improve both water quality and the operation of the drainage system.

Park/Highway Building Electrical System Repairs - \$900,000 (FY06)

The Park/Highway building has experienced a number of electrical problems over the past several years. An evaluation of the electrical system was undertaken in FY03 and immediate safety concerns were addressed in FY04. The FY06 request will provide funding for needed operating improvements identified by the study.

Park/Highway Sand Shed Structure - \$200,000 (FY07)

The DPW maintains a sand pile throughout the year for various uses including roadway sanding during the winter. The sand pile is currently covered by tarps but in FY07 a permanent structure will be constructed to comply with stormwater protection requirements.

DPW Garage/Office Construction (DPW Share) - \$3,390,000 (FY08-FY10)

The Municipal Light Plant (MLP) and the Department of Public Works (DPW) completed a building needs/evaluation study in FY04. The study concluded that the MLP/DPW buildings, which house the DPW Engineering, Management Services, Water and Sewer Divisions as well as the MLP, have outlived their useful lives and that significant advantages could be realized if each department could consolidate their operations into separate facilities. Specific plans regarding the best way to address the needs of both departments in the most cost effective and operationally efficient way are still ongoing and additional information will be provided as it becomes available. It is expected that the Municipal Light, Water and Sewer Enterprise Funds will provide their shares of the overall funding for this project.

Recycling and Disposal Facility Resurfacing Paved Areas - \$145,000 (FY07-FY08)

This project will provide for the resurfacing of the pavement throughout the RDF in FY07 and FY08, and for a permanent concrete slab floor to the new transfer haul building in FY08.

RDF Trommel Screener - \$110,000 (FY06)

The RDF currently processes over 9,000 tons of earth product material each year (grass clippings, leaves, brush, etc), which are sold (if possible) or otherwise disposed of. Current material processing includes grinding brush and forming windrows (piles) that are periodically turned to promote decomposition into compost. The addition of a Trommel screener will improve the quality and marketability of the earth product stockpile. A cost/benefit analysis indicates that the payback of this investment is estimated to be 2-3 years.

Vehicle/Equipment Replacement - \$2,403,300 (FY06-FY10)

The Department of Public Works maintains 121 vehicles and 200 pieces of equipment, with a total estimated replacement value of \$7,600,000 (\$6.5m vehicles and \$1.1m equipment). The DPW has developed a multi-year replacement schedule that looks at several factors (age, usage, condition, repair history) and spreads the replacement of the fleet over about 16 years (averaging \$476,000 per year). Each year the department updates the schedule based on the most current information, and defers replacements for as long as feasible. The FY06 request will replace or refurbish seven vehicles, at a total cost of \$380,000.

Sprague Field Rehabilitation - \$550,000 (FY06-FY10)

This program, which is reviewed and periodically updated by the Playing Field Task Force, funds ongoing improvements of the Sprague Athletic Fields. FY06 funds will be used for screening and removing piles of loam behind the Sprague maintenance building. After removal of loam, the area will be paved, fenced and used for the storage of athletic field goals, materials and other School Department items. FY07 includes funds for additional remediation work at the Sprague Fields if such work is required by Massachusetts Department of Environmental Protection guidelines after testing has been completed by the School Department.

Field and Playground Improvements - \$579,500 (FY06-FY10)

A multi-year capital plan was developed by a Playing Field Task Force, which was chartered by the Natural Resource Commission with representation from the NRC, the DPW, Schools, Recreation, Wellesley Little League, the Wellesley United Soccer Club, Wellesley Youth Lacrosse, and interested residents. The FY06 funding provides for improvements to playing fields throughout town, with the specific locations and tasks to be determined according to needs and field conditions; continues a shared-cost project for the replacement and extraordinary maintenance of aging school playground equipment (the School PTO's may match or exceed Town funding); funds repairs to basketball and tennis courts throughout town; continues improvements to bring the Town's open space facilities into compliance with the American's With Disabilities Act (ADA); and funds the repair or replacement of aging water fountains.

Hunnewell Field Improvements - \$412,500 (FY09-FY10)

Under the direction of the Playing Field Task Force, Geller Sport prepared a master plan for Hunnewell during FY04. The master plan included a site analysis, athletic grounds master plans, cost estimates, cost comparisons, deficiency analysis and plan summary, and a maintenance program for the new facilities. The project includes a new ADA accessible restroom facilities and a maintenance building at Hunnewell Field, replacement of deteriorating fencing around the football field, the design and construction of a new, multi-use playing surface at the Wellesley High School Football Field, and renovations to the baseball/softball fields. Much of this project is still in the discussion phase and may be significantly adjusted based on future construction plans for the High School.

School Committee

Equipment – \$451,515 (FY06-FY10)

The Equipment category provides for funding of vehicles, copier lease and/or purchase, and general equipment. For the FY06-FY10 period, total funding request for these areas is \$451,515 (\$70,000 for vehicles; \$306,515 for copiers; \$75,000 for general equipment). In FY06, the Schools will lease new photocopiers for production center at a cost of \$150,515. There are no spending requests in the areas of "General Equipment" or "Vehicles".

Infrastructure - Major Project - Renovations/Repairs - \$90,000 (FY06); Undetermined (FY07-FY10)

This category provides funding for necessary building repair work and periodic renovation. The request for FY06 is \$90,000. However, there are numerous needs in the out-years for which there are either no formal requests or no well-defined cost estimates. Examples include implementation of a renovation plan for the older elementary schools (Hardy, Upham, Fiske, Hunnewell, Schofield) and a major renovation to the High School building. At this time, the Schools have provided a preliminary estimate of \$5.9 million for elementary school renovations. The High School project is still under study. Figures for both projects have been included in Exhibit A for planning purposes, but have not been formally requested by the School Committee.

Technology - \$2,941,580 (FY06–FY010)

Capital items in the Technology category are defined as computer hardware and peripherals included in the School Department's four year Technology Plan. On an annual basis, these items are reviewed/updated by School Department Administration. Both new and replacement purchases are included. The request for FY06 is \$364,580.

Projects from Enterprise Funds:

Board of Public Works

Sewer Fund – Lateral Sewer Extensions – TBD (FY07-FY010)

Changes to the State Environmental Code, Title V, have stimulated interest in, and recognition of the need for, the construction of additional sewer laterals. No specific projects are planned for FY06.

Sewer Fund – Rehabilitation of Sewer Mains - \$1,708,000 (FY06-FY10)

The biggest obstacles to the smooth operations of the Town's 130-mile sewer system are blockages and overloading of the system from infiltration and inflow. On an annual basis under this portion of the Sewer capital program, 10 miles of sewer are television inspected for leaks, breaks and blockages, the sewers are cleaned of roots or other blockages, joints are tested and sealed, and major breaks or collapses are repaired. A portion of this work is reimbursable from the MWRA's Infiltration and Inflow Financial Assistance Program.

Sewer Fund-Pumping Station Improvements - \$545,300 (FY06-FY010)

This request will fund rehabilitation or replacement of the Town's 19 sewer lift stations. These stations serve small neighborhoods (typically less than two dozen homes). Many of these stations are approaching 50 years in age and are located in space-restricted areas with the majority of them on easements. This project will also provide for the maintenance of essential sewage lift station operations during the replacement program.

DPW Garage/Office Construction (Sewer Division Share) - \$2,250,000 (FY07)

The Municipal Light Plant (MLP) and the Department of Public Works (DPW) completed a building needs/evaluation study in FY04. The study concluded that the MLP/DPW buildings, which house the DPW Engineering, Management Services, Water and Sewer Divisions as well as the MLP, have outlived their useful lives and that significant advantages could be realized if each department could consolidate their operations into separate facilities. Specific plans regarding the best way to address the needs of both departments in the most cost effective and operationally efficient way are still ongoing and additional information will be provided as it becomes available. It is expected that the Municipal Light, Water and Sewer Enterprise Funds will provide their shares of the overall funding for this project.

Water Fund-Distribution System - \$665,000 (FY06-FY10)

In FY02 a study of the distribution system was conducted to identify issues and concerns that may cause deterioration of water quality, such as un-looped water mains, blow-off valve operations and parallel mains, and recommend improvements. The study also evaluated the adequacy of fire hydrant spacing including an evaluation based on ISO rating improvements and any code requirements. Funding in FY06 will be used to implement recommendations made in the distribution system study, including hydrant replacements and additions, the installation of piping and valving within the two Maugus Hill storage tanks, and the replacement of existing 85 year old water main on Grantland Road.

Water Funds – Water Supply - \$665,000 (FY06-FY10)

In order to maintain the efficiency of the Town's water supplies, the periodic cleaning and re-development of wells is required. The FY06 project involves the Longfellow Well. Also in FY06 design work will begin on a project to increase the pumping capabilities of the Town's connection to the MWRA system (to provide pumping up to the Town's permitted limit of 3.5 million gallons per day) and to provide redundancy in for the pumping capacity this supply source for the purpose of emergency preparedness.

Water Fund – Meter Program - \$100,000 (FY06-FY10)

Planned expenditures include the purchase of meters for new accounts and second meter installations.

Water Fund-Vehicle/Equipment Replacement - \$362,000 (FY06-FY10)

This request provides funding for the replacement of various vehicles in accordance with a phased replacement schedule. The Water Division maintains 19 vehicles and 12 pieces of major equipment. The total current replacement value of the fleet (vehicles and equipment) is \$950,000 (\$800K Vehicles and \$150K Equipment). No vehicles are scheduled for replacement in FY06.

DPW Garage/Office Construction (Water Division Share) - \$2,250,000 (FY07)

The Municipal Light Plant (MLP) and the Department of Public Works (DPW) completed a building needs/evaluation study in FY04. The study concluded that the MLP/DPW buildings, which house the DPW Engineering, Management Services, Water and Sewer Divisions as well as the MLP, have outlived their useful lives and that significant advantages could be realized if each department could consolidate their operations into separate facilities. Specific plans regarding the best way to address the needs of both departments in the most cost effective and operationally efficient way are still ongoing and additional information will be provided as it becomes available. It is expected that the Municipal Light, Water and Sewer Enterprise Funds will provide their shares of the overall funding for this project.

Municipal Light Board

FY2006 Capital Request - \$2,577,826

The request for FY2006 does not include any tax impact items. Some highlights include \$591,139 for 1500 Line Reconstruction, which will run underground from Station 378 to howe Street. This project will supply service to the residents of Weston Road between Linden Street and Worcester Street. Also included are reconstruction of the distribution system in the Boulder Brook Road area (\$236,486) as well as installation of ornamental streetlights on Washington Street from Wiswall Circle to Service Drive (\$234,128).

Five year Capital Forecast - \$24,199,021 (FY06-FY10)

By far the most noteworthy item in the MLP's Five Year Capital Forecast is an \$11 million new building project in FY07. It is expected that MLP will fund this project in conjunction with contributions from DPW through both the Water and Sewer Enterprise Funds. Other items of note in the forecast are \$1,132,986 in FY2010 for a new supply line from Station 148 to Station 378. In FY07, MLP is forecasting \$838,591 for the Weston Road Undergrounding project and \$535,869 for reconstruction in the Walnut Street area.

Non-Tax Impact – Selectmen

Weston Road Parking Lot at Electric Substation - \$200,000 (FY07)

In response to numerous concerns regarding the availability of parking, the Town contracted with TAMS Consultants to develop a plan to place a 60 odd new Town Parking Lot on Weston Road at the Electric Sub-Station location. The report detailed the lot and costs associated with the construction (\$162,000). The 1999 Report was presented to the Board of Selectmen but due to a number of concerns regarding safety the project was not continued. However, the concerns focused around the pedestrian and vehicular traffic entering and exiting the site at the very congested intersection of Weston Road and Linden Street. If the intersection were to be signalized, than this additional Parking Lot becomes very viable. The funding for this project would come from Traffic & Parking revenues. The Town's traffic engineer has reviewed the cost data for updating. Various Town studies show the need for additional parking.

Weston Road/Linden Street Intersection Improvements – \$150,000 (FY07)

The Town's traffic engineer has completed a Washington Street/Central Street traffic signal study. One intersection looked at, albeit indirectly, was the Weston Road and Linden Street Intersection with the traffic engineer indicating that this is an intersection that could benefit from signalization. Accident data on this intersection shows that the rate is higher than the state average for unsignalized intersections. Signalization will decrease the accident rate. However, models show that the current long delays and back ups, which occur, on Weston Road and Linden Street at this intersection will remain with only minor benefit. Further if signalization occurs, then the locating of a new Parking Lot at the Electric Substation driveway could be included making a Parking Lot significantly safer. The Town's traffic engineer has completed a preliminary design and provided an estimate for the final design and construction of this

improvement. Numerous Parking Studies have indicated the need to improve the number of spaces available in the Square area.

Weston Road Design – Linden Street to Route 9 - \$200,000 (FY06)

The Weston Road corridor between Linden Street and Route 9 is a very heavily traveled corridor. The roadway has seen some improvements with implementation of recommendations of the March 1998 "Traffic Calming Study" and an overlay of the roadway segment in the late 1990's. One issue has not been addressed adequately and that is the condition of the sidewalks. The proposed new design of the roadway segment will include a full depth reconstruction, adequate curbing, vastly improved sidewalks and underground utilities. The bulk of this project will be funded from Chapter 90 funds with the Town already approving a borrowing authorization at the 2002 Annual Town Meeting toward placing the utilities underground. The project is being timed to get useful wear from the overlay and completion of other projects (Washington Street etc.) also funded from Chapter 90.

Weston Road Construction – Linden Street to Route 9 - \$1,750,000 (FY07)

The Weston Road corridor between Linden Street and Route 9 is a very heavily traveled corridor. The roadway has seen some improvements with implementation of recommendations of the March 1998 "Traffic Calming Study" and an overlay of the roadway segment in the late 1990's. One issue has not been addressed adequately and that is the condition of the sidewalks. The proposed construction of the roadway segment will include a full depth reconstruction, adequate curbing, vastly improved sidewalks and underground utilities. The bulk of this project will be funded from Chapter 90 funds with the Town already approving a borrowing authorization at the 2002 Annual Town Meeting toward placing the utilities underground. The project is being timed to get useful wear from the overlay and completion of other projects (Washington Street etc.) also funded from Chapter 90.

Cedar, Hastings and Hunnewell Intersection Improvements - \$336,000 (FY08)

The Town's traffic engineer has identified this intersection as one that meets the warrants for the installation of a traffic signal. Some elements of the intersection operate at a Level of Service "F" which is the lowest level possible on the scale. The request has been made previously unsuccessfully to Town Meeting; however, the safety concerns remain. The traffic signal would address safety concerns in the vicinity of the Fiske School, which will increase if anticipated enrollment increase come to fruition. A Construction Cost Index of 4% for inflation has been used to adjust the estimate.

TOWN OF WELLESLEY - ALL BOARDS

SUMMARY OF FY2006-2010 CAPITAL BUDGET PROGRAMS

Updated 26-Feb-05

FY2006-2010 CAPITAL REQUESTS - EXPENDITURE SUMMARY

DEPARTMENT	FY06	FY07	FY08	FY09	FY10	TOTAL
Board of Selectmen	380,453	2,387,079	1,074,300	632,200	157,000	4,611,032
Board of Public Works	2,024,000	2,388,500	2,024,600	6,531,000	3,288,700	16,256,800
Natural Resources Commission	83,150	695,000	3,325,000	3,255,000	3,160,000	10,518,150
Planning Board	50,000	-	-	-	-	50,000
Town Clerk	16,000	53,800	16,000	24,000	24,000	133,800
Wellesley Free Library	9,000	7,000	41,000	35,000	32,000	124,000
Recreation Commission	35,100	129,500	20,000	-	-	184,600
Wellesley Public Schools	935,699	8,673,000	65,869,300	2,459,500	1,388,500	79,325,999
TOTAL	3,533,402	14,313,879	72,370,200	12,936,700	8,050,200	111,204,381

FY2006-2010 CAPITAL REQUESTS - FUNDING SCHEDULE

FUNDING TYPE	FY06	FY07	FY08	FY09	FY10	TOTAL
DEBT (Inside)	900,000	1,033,000	4,115,000	8,676,000	5,085,000	19,809,000
DEBT (Outside)	-	7,610,000	64,770,000	972,500	464,500	73,817,000
DEBT (Other)	-	350,000	336,000	-	-	686,000
CASH	2,296,902	3,458,879	3,012,200	3,151,200	2,363,700	14,282,881
OUTSIDE	224,500	1,750,000	-	-	-	1,974,500
OTHER	112,000	112,000	137,000	137,000	137,000	635,000
TOTAL	3,533,402	14,313,879	72,370,200	12,936,700	8,050,200	111,204,381

BOARD OF SELECTMEN

SUMMARY OF FY2006-2010 CAPITAL BUDGET PROGRAM

FY2006-2010 CAPITAL REQUESTS - EXPENDITURE SUMMARY							
DEPARTMENT	ITEM/PROJECT	FY06	FY07	FY08	FY09	FY10	TOTAL
Director's Office	Public Records Storage	-	-	-	-	-	-
Director's Office	Customer Serv. Tracking Software	-	10,000	-	-	-	10,000
Director's Office	Benvenue St Sidewalk Installation	-	-	-	-	-	-
Director's Office	Phone System Upgrade	47,453	-	-	-	-	47,453
Director's Office	Middle School Area Sidewalks	-	-	-	-	-	-
Director's Office	High School Area Sidewalks	-	-	-	-	-	-
Director's Office	Spring/Cameron Streetscape Impr.	-	-	95,000	-	-	95,000
Director's Office	Washington St Area Improvements	-	17,000	-	-	-	17,000
Director's Office	Washington St Cold Planning	-	-	-	-	-	385,000
Director's Office	Overbrook Dr Area Improvements	-	-	80,300	77,200	-	157,500
Director's Office	Town Hall Parking Improvements	-	67,079	-	-	-	67,079
Director's Office	Town Hall Illumination Improvements	-	30,000	-	-	-	30,000
Fire Department	Command Vehicles	-	31,000	41,000	43,000	-	115,000
Fire Department	Engine #1	-	-	-	-	-	375,000
Fire Department	Defibrillator Upgrade	21,000	-	-	-	20,000	41,000
Selectmen/Fire Dept	Major Vehicle Replacement Fund	105,000	105,000	105,000	105,000	105,000	600,000
Selectmen/NIS	5-Year Aerial Photo Update	7,000	7,000	7,000	7,000	7,000	35,000
Traffic & Parking	Weston Rd/Linden St Intersection	-	150,000	-	-	-	150,000
Traffic & Parking	Weston Rd Parking Lot	-	200,000	-	-	-	200,000
Traffic & Parking	Central Street Turnover (Mass Hwy)	-	-	-	-	-	-
Traffic & Parking	Cedar & Hastings Intersection	-	-	336,000	-	-	336,000
Chapter 90	Weston Rd - Linden St to Route 9	-	-	-	-	-	1,950,000
Selectmen	Walnut & River Intersection	-	-	-	-	-	-
Selectmen	Great Plain Avenue Resurfacing	-	-	-	-	-	-
Selectmen	State Street Parking Lot	-	-	-	-	-	-
TOTAL		380,453	2,367,079	1,074,300	632,200	157,000	4,611,032

Color Key:

DEBT (Outside)

DEBT (Other)

CASH

OUTSIDE

OTHER

FY2006-2010 CAPITAL REQUESTS - FUNDING SCHEDULE						
FUNDING TYPE	FY06	FY07	FY08	FY09	FY10	TOTAL
DEBT (Inside)	-	-	385,000	375,000	-	760,000
DEBT (Outside)	-	-	-	-	-	-
DEBT (Other)	-	350,000	336,000	-	-	686,000
CASH	68,453	155,079	216,300	120,200	20,000	580,032
OUTSIDE	200,000	1,750,000	-	-	-	1,950,000
OTHER	112,000	112,000	137,000	137,000	137,000	635,000
TOTAL	380,453	2,367,079	1,074,300	632,200	157,000	4,611,032

BOARD OF PUBLIC WORKS

SUMMARY OF FY2006-2010 CAPITAL BUDGET PROGRAM

FY2006-2010 CAPITAL REQUESTS - EXPENDITURE SUMMARY							
DEPARTMENT	ITEM/PROJECT	FY06	FY07	FY08	FY09	FY10	TOTAL
DPW - Street Improvements	Resurfacing	350,000	400,000	400,000	400,000	400,000	1,950,000
DPW - Street Improvements	Crack Sealing	25,000	30,000	30,000	30,000	30,000	145,000
DPW - Street Rehabilitation	Linden Street		-				2,000,000
DPW - Street Rehabilitation	Cliff Road						1,250,000
DPW - Street Rehabilitation	Glen Road						-
DPW - Street Rehabilitation	Grove Street						-
DPW - Sidewalk Restoration	Sidewalk Restoration	77,500	100,000	100,000	100,000	100,000	477,500
DPW - Private Ways	Private Ways	15,000	15,000	15,000	15,000	15,000	75,000
DPW - Drainage Improvements	Surface Drainage Master Plan						1,339,000
DPW - Drainage Improvements	Culvert & Headwall Rehab	-	5,000	5,000	5,000	5,000	20,000
DPW - Drainage Improvements	Catch Basin Reconstruction	-	5,000	5,000	5,000	5,000	20,000
DPW - Facilities	RDF Container Replacement		19,500	19,500	19,500	19,500	78,000
DPW - Facilities	Park/Hwy Electrical System Repair						900,000
DPW - Facilities	Stormwater Mngt Prog Implementation						-
DPW - Facilities	Building to Cover Sand Pile						200,000
DPW - Facilities	Garage/Office Construction						3,390,000
RDF Facility Improvements	Shower Stall Construction	20,000					20,000
RDF Facility Improvements	Compactor & Baled Storage Area		40,000				40,000
RDF Facility Improvements	Baler Sorting Table		27,000				27,000
RDF Facility Improvements	Resurface Paved Areas		20,000	125,000			145,000
RDF Facility Improvements	Trommel Screener	110,000					110,000
Other	Scanning of Engineering Plans		10,000				10,000
Other	Public Shade Tree Inventory/Maint.		10,000	10,000	10,000	10,000	40,000
Other	Traffic Island and Streetscape Renov.	5,000	5,000	5,000	5,000	5,000	25,000
Other	Clock Tower Park Utility Improvements	25,000					25,000
Other	Wellesley Square Park Utility Improv.						-
Other	Brookside Community Gardens Improv.	-	25,000				25,000
DPW - Equipment Procurement	Vehicle Replacement	380,000	527,000	503,100	496,000	497,200	2,403,300
DPW - Field/Playground Impr.	Sprague Field Rehabilitation	5,000	500,000	15,000	15,000	15,000	550,000
DPW - Field/Playground Impr.	Elementary Field Improvements	60,000	60,000	65,000	50,000	40,000	275,000
DPW - Field/Playground Impr.	High School/Hunnewell Field	16,000	15,000	15,000	15,000	15,000	76,000
DPW - Field/Playground Impr.	Play Equipment Replacement	19,000	12,000	12,000	12,000	12,000	67,000
DPW - Field/Playground Impr.	ADA Requirements	6,500	5,000	5,000	5,000	5,000	26,500
DPW - Field/Playground Impr.	Tennis & Basketball Court Improv.		10,000	60,000	10,000	10,000	80,000
DPW - Field/Playground Impr.	Water Fountain Replacements	10,000	15,000	15,000	15,000		55,000
Hunnewell Field Improvements	Hunnewell Field Maint./Restrooms	-	-		22,500		172,500
Hunnewell Field Improvements	Football Field Artificial Surface						150,000
Hunnewell Field Improvements	Hunnewell/Football Field Fencing						70,000
Hunnewell Field Improvements	Renovation of Baseball/Softball Fields					20,000	20,000
Hunnewell Field Improvements	Renov/Drainage - Skating Pond Flds						-
Hunnewell Field Improvements	Multi-Use Artificial Playing Surface						-
TOTAL		2,024,000	2,388,500	2,024,600	6,531,000	3,288,700	16,256,800

Color Key:

DEBT (Outside)

DEBT (Other)

CASH

OUTSIDE

OTHER

FY2006-2010 CAPITAL REQUESTS - FUNDING SCHEDULE						
FUNDING TYPE	FY06	FY07	FY08	FY09	FY10	TOTAL
DEBT (Inside)	900,000	533,000	630,000	5,301,000	2,085,000	9,449,000
DEBT (Outside)						-
DEBT (Other)						-
CASH	1,124,000	1,855,500	1,394,600	1,230,000	1,203,700	6,807,800
OUTSIDE						-
OTHER						-
TOTAL	2,024,000	2,388,500	2,024,600	6,531,000	3,288,700	16,256,800

NATURAL RESOURCES COMMISSION SUMMARY OF FY2006-2010 CAPITAL BUDGET PROGRAM

FY2006-2010 CAPITAL REQUESTS - EXPENDITURE SUMMARY							
DEPARTMENT	ITEM/PROJECT	FY06	FY07	FY08	FY09	FY10	TOTAL
Natural Resources Commission	Tree Planting Program	25,000	25,000	25,000	25,000	25,000	125,000
Natural Resources Commission	Trails Systems Improvements	13,000	4,000	25,000	10,000		62,000
Natural Resources Commission	Boulder Brook Res Drainage/Access	9,900					9,900
Natural Resources Commission	Warren Park Fencing/Park Amenities	12,300					12,300
Natural Resources Commission	Integrated Pest Mngt Turf Plan		10,000	10,000	10,000	10,000	40,000
Natural Resources Commission	Warren Park Basketball Court Improv.		21,000				21,000
Natural Resources Commission	Brown Park Playground Improv.	22,950					22,950
Natural Resources Commission	Fuller Brook Park Restoration		125,000	125,000	125,000	125,000	500,000
Natural Resources Commission	Morses Pond Final Design/Permitting						500,000
Natural Resources Commission	Morses Pond Final Design Implement.						9,000,000
Natural Resources Commission	Morses Pond Management Plan						100,000
Natural Resources Commission	Morses Pond Erosion Control Project				45,000		45,000
Natural Resources Commission	Abbott Pond Restoration Study			40,000			40,000
Natural Resources Commission	State Street Pond Restoration Study				40,000		40,000
TOTAL		83,150	695,000	3,325,000	3,255,000	3,160,000	10,518,150

Color Key:

DEBT (Outside)
DEBT (Other)
CASH
OUTSIDE
OTHER

FY2006-2010 CAPITAL REQUESTS - FUNDING SCHEDULE						
FUNDING TYPE	FY06	FY07	FY08	FY09	FY10	TOTAL
DEBT (Inside)		500,000	3,100,000	3,000,000	3,000,000	9,600,000
DEBT (Outside)						
DEBT (Other)						
CASH	83,150	195,000	225,000	255,000	160,000	918,150
OUTSIDE						
OTHER						
TOTAL	83,150	695,000	3,325,000	3,255,000	3,160,000	10,518,150

PLANNING BOARD

SUMMARY OF FY2006-2010 CAPITAL BUDGET PROGRAM

FY2006-2010 CAPITAL REQUESTS - EXPENDITURE SUMMARY

DEPARTMENT	ITEM/PROJECT	FY06	FY07	FY08	FY09	FY10	TOTAL
Planning	Comprehensive Plan Update	50,000					50,000
Planning	Comprehensive Plan Implementation						-
Planning	Re-Codification of Zoning Bylaw						-
TOTAL		50,000					50,000

Color Key:

DEBT (Outside)
DEBT (Other)
CASH
OUTSIDE
OTHER

FY2006-2010 CAPITAL REQUESTS - FUNDING SCHEDULE

FUNDING TYPE	FY06	FY07	FY08	FY09	FY10	TOTAL
DEBT (Inside)						-
DEBT (Outside)						-
DEBT (Other)						-
CASH	50,000	-	-			50,000
OUTSIDE						-
OTHER						-
TOTAL	50,000	-	-	-	-	50,000

TOWN CLERK SUMMARY OF FY2006-2010 CAPITAL BUDGET PROGRAM

FY2006-2010 CAPITAL REQUESTS - EXPENDITURE SUMMARY

DEPARTMENT	ITEM/PROJECT	FY06	FY07	FY08	FY09	FY10	TOTAL
Town Clerk	Vital Records Preservation	16,000	16,000	16,000	24,000	24,000	96,000
Town Clerk	Voting Machines		37,800				37,800
TOTAL		16,000	53,800	16,000	24,000	24,000	133,800

Color Key:

DEBT (Outside)

DEBT (Other)

CASH

OUTSIDE

OTHER

FY2006-2010 CAPITAL REQUESTS - FUNDING SCHEDULE

FUNDING TYPE	FY06	FY07	FY08	FY09	FY10	TOTAL
DEBT (Inside)						-
DEBT (Outside)						-
DEBT (Other)						-
CASH	16,000	53,800	16,000	24,000	24,000	133,800
OUTSIDE						-
OTHER						-
TOTAL	16,000	53,800	16,000	24,000	24,000	133,800

WELLESLEY FREE LIBRARY SUMMARY OF FY2006-2010 CAPITAL BUDGET PROGRAM

FY2006-2010 CAPITAL REQUESTS - EXPENDITURE SUMMARY

DEPARTMENT	ITEM/PROJECT	FY06	FY07	FY08	FY09	FY10	TOTAL
Wellesley Free Library	Main - Replace microfilm machines	9,000				9,000	18,000
Wellesley Free Library	Main - Repaint and seal garage floor			8,000			8,000
Wellesley Free Library	Hills - Replace heating system				25,000		25,000
Wellesley Free Library	Fells - Replace Roof					5,000	5,000
Wellesley Free Library	Fells - Replace doors, frames/hardware			5,000			5,000
Wellesley Free Library	Main - Replace wireless server					8,000	8,000
Wellesley Free Library	Main - Replace four servers			20,000			20,000
Wellesley Free Library	Main - Clean ducts/tuneup HVAC		7,000				7,000
Wellesley Free Library	Hills - Reglaze windows/Repoint stones			8,000			8,000
Wellesley Free Library	Main - Reupholster/replace worn furniture				10,000	10,000	20,000
Wellesley Free Library	Main - Computer Upgrades	TBD	TBD	TBD	TBD	TBD	TBD
TOTAL		9,000	7,000	41,000	35,000	32,000	124,000

Color Key:

DEBT (Outside)

DEBT (Other)

CASH

OUTSIDE

OTHER

FY2006-2010 CAPITAL REQUESTS - FUNDING SCHEDULE

FUNDING TYPE	FY06	FY07	FY08	FY09	FY10	TOTAL
DEBT (Inside)						-
DEBT (Outside)						-
DEBT (Other)						-
CASH	9,000	7,000	41,000	35,000	32,000	124,000
OUTSIDE						-
OTHER						-
TOTAL	9,000	7,000	41,000	35,000	32,000	124,000

RECREATION COMMISSION

SUMMARY OF FY2006-2010 CAPITAL BUDGET PROGRAM

FY2006-2010 CAPITAL REQUESTS - EXPENDITURE SUMMARY

DEPARTMENT	ITEM/PROJECT	FY06	FY07	FY08	FY09	FY10	TOTAL
Recreation	Portable Stage (Tax Impact)	5,500					5,500
Recreation	Portable Stage (Outside Funding)						24,500
Recreation	Hunnewell Multipurpose Field Lights	2,600					2,600
Recreation	Tools	2,500					2,500
Recreation	Morses Pond Bathhouse Roof		16,000				16,000
Recreation	Indoor Pool						-
Recreation	Morses Pond Dock		92,000				92,000
Recreation	Web Trac Software		21,500				21,500
Recreation	Program Study			20,000			20,000
TOTAL		35,100	129,500	20,000	-	-	184,600

Color Key:

DEBT (Outside)

DEBT (Other)

CASH

OUTSIDE

OTHER

FY2006-2010 CAPITAL REQUESTS - FUNDING SCHEDULE

FUNDING TYPE	FY06	FY07	FY08	FY09	FY10	TOTAL
DEBT (Inside)						-
DEBT (Outside)						-
DEBT (Other)						-
CASH	10,600	129,500	20,000			160,100
OUTSIDE	24,500					24,500
OTHER						-
TOTAL	35,100	129,500	20,000	-	-	184,600

WELLESLEY PUBLIC SCHOOLS SUMMARY OF FY2006-2010 CAPITAL BUDGET PROGRAM

FY2006-2010 CAPITAL REQUESTS - EXPENDITURE SUMMARY							
DEPARTMENT	ITEM/PROJECT	FY06	FY07	FY08	FY09	FY10	TOTAL
Wellesley Public Schools	Equipment - Copiers	150,515	36,000	38,000	40,000	42,000	306,515
Wellesley Public Schools	Equipment - General Equipment	-	15,000	20,000	20,000	20,000	75,000
Wellesley Public Schools	Equipment - Vehicles	-	35,000	-	35,000	-	70,000
Wellesley Public Schools	Furniture/Furnishings	26,610	55,000	55,000	55,000	55,000	246,610
Wellesley Public Schools	Infrastructure - Construction/Interior imp	17,500	15,000	15,000	15,000	15,000	77,500
Wellesley Public Schools	Infrastructure - Fire Alarms/Emergency	4,000	10,000	10,000	10,000	10,000	44,000
Wellesley Public Schools	Infrastructure - Flooring	49,640	55,000	55,000	55,000	55,000	269,640
Wellesley Public Schools	Infrastructure - Modular Classrooms	26,220					26,220
Wellesley Public Schools	Infrastructure - Renovations - ES	90,000	1,610,000	1,770,000	972,500	464,500	4,907,000
Wellesley Public Schools	Infrastructure - High Sch - Plans/Const.		6,000,000	63,000,000			69,000,000
Wellesley Public Schools	Infrastructure - Plumbing/Heating	50,000	52,000	52,000	350,000	52,000	556,000
Wellesley Public Schools	Infrastructure - Roof Maintenance & Repl	140,000	80,000	80,000	80,000	80,000	460,000
Wellesley Public Schools	Maintenance		20,000	20,000	20,000	20,000	80,000
Wellesley Public Schools	Safety	7,500		69,300			76,800
Wellesley Public Schools	Technology	364,580	645,000	640,000	762,000	590,000	2,941,580
Wellesley Public Schools	Instructional	9,134	45,000	45,000	45,000	45,000	189,134
TOTAL		935,699	8,673,000	65,869,300	2,459,500	1,388,500	79,325,999

Color Key:

DEBT (Outside)

DEBT (Other)

CASH

OUTSIDE

OTHER

FY2006-2010 CAPITAL REQUESTS - FUNDING SCHEDULE						
FUNDING TYPE	FY06	FY07	FY08	FY09	FY10	TOTAL
DEBT (Inside)	-	-	-	-	-	-
DEBT (Outside)	-	7,610,000	64,770,000	972,500	464,500	73,817,000
DEBT (Other)	-	-	-	-	-	-
CASH	935,699	1,063,000	1,099,300	1,487,000	924,000	5,508,999
OUTSIDE	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	935,699	8,673,000	65,869,300	2,459,500	1,388,500	79,325,999

TOTAL TOWN DEBT OUTSTANDING **Approved Projects**

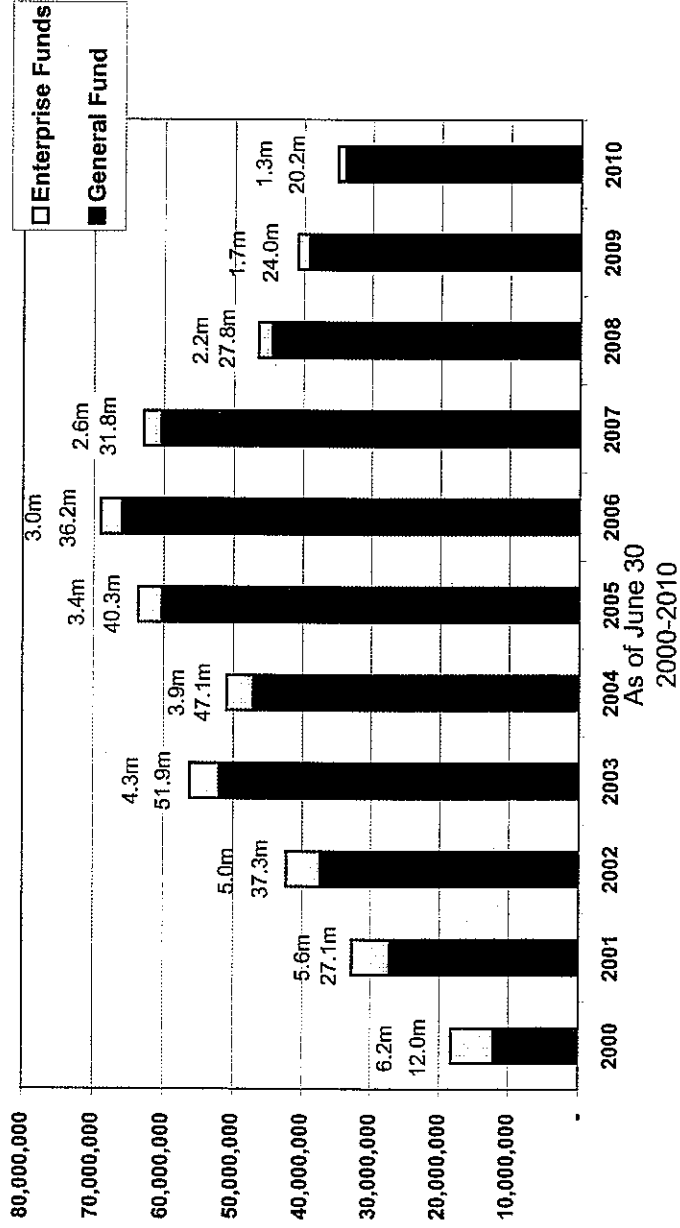


Exhibit B

TOTAL TOWN DEBT OUTSTANDING **Approved and Proposed**

